



The President's Daily Brief

February 5, 1975

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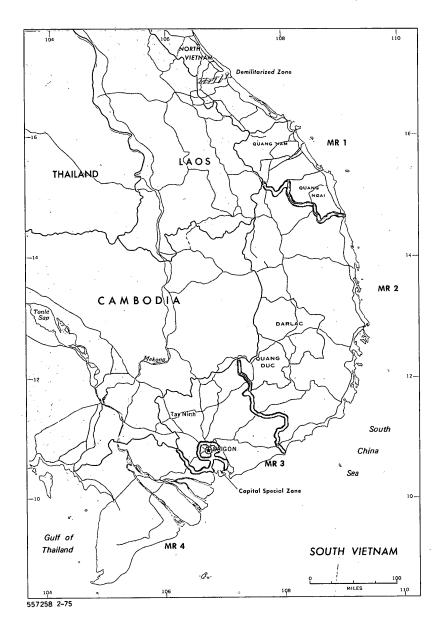
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SOUTH VIETNAM

The communists are preparing for the next phase of their dry-season campaign, which again will probably involve action by both main and local forces. Some communist units have been directed to celebrate early for Tet--the three-day lunar new year holdiay that begins on February 11--in order to be prepared for renewed activity.

The South Vietnamese government is particularly concerned about Tay Ninh city. The communist 9th Division, which has not been involved in recent fighting, reportedly is preparing to attack that city. Communist propagandists during the past few weeks have warned civilians in several important urban areas--including Tay Ninh--that heavy attacks will come during the Tet holidays. At least one provincial official, however, believes that such talk is a calculated propaganda tactic.

Communist sapper units are reported to be completing preparations for sabotage and terrorism in Saigon. Members of these units are stockpiling supplies and munitions, identifying targets, and improving access routes into and out of the capital city.

The central highlands are another area of possibly heavy combat, especially around the capitals of the provinces bordering Cambodia. In addition to the recent movement of the North Vietnamese 968th Division from southern Laos into the highlands, there have been reports that the 320th Division is moving farther south to attack targets in Darlac and Quang Duc provinces.

Weather conditions will offer no obstacle to either side in coming weeks. Good weather for fighting will continue until at least May from the highland provinces to the southern delta. In the northern coastal areas, the heavy monsoon rains will begin tapering off soon and the weather there will begin to improve in the next month or so.

TURKEY

The Turkish government has warned that it will review its NATO ties and its mutual defense agreements with the US as a result of the cutoff of US military assistance. The aid halt reportedly also has removed the last impediment to a Turkish military move to modify the cease-fire line on Cyprus.

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tween February 6 and 8 to clear the Greek national guard out of at least five positions, two near Nicosia airport and others west of Nicosia.

The Turks, during the heavy firing last weekend, stationed additional forces around the airport,

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has decided to allow Turkish Cypriot leader Rauf Denktash to declare an independent state suggests that the Turks may abandon negotiations and seal off half of the island. We have no evidence from Ankara, however, that the Turks are about to launch any new military operations on Cyprus.

The Turks have lashed out at the US Congress and indicated that some type of retaliation for the aid halt will occur. After holding an emergency meeting of his national security council last night, Prime Minister Irmak released a statement accusing the US of an "unlawful act." Irmak said there will be changes in Turkey's contribution to NATO, but he had said before the meeting that Turkey would not withdraw from the organization. There will likely be a surge of anti-Americanism in Turkey that could produce demonstrations threatening US property and personnel.

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ETHIOPIA

The Ethiopian army appears to have suffered setbacks in its attempt to dislodge insurgents from the outlying areas of Asmara. Some army units reportedly are withdrawing into the city. Asmara was quiet yesterday, but the police directed residents to stay off the streets, apparently in anticipation of more fighting.

Government reinforcements are having difficulty reaching Asmara because rebels have established strongpoints along roads leading to the city. The government will probably airlift additional reinforcements from Addis Ababa.

The Eritrean conflict is becoming a test of the ruling military council's leadership. A serious defeat would almost certainly trigger a military revolt against the council. The transfer of large numbers of troops from Addis Ababa to Eritrea might encourage some opponents of the council to stage a coup, regardless of the military situation.

PORTUGAL

A series of political meetings is under way in Portugal this week as left-ists and moderates each seek ways to increase their power relative to the other.

The Armed Forces Movement's 20-man Superior Council has been in session for the past few days working on an agreement fixing the ground rules for the election campaign, now due to begin on March 4. The Superior Council's decisions will be presented for approval to the 200-member General Assembly of the Armed Forces, which will meet on Thursday.

The Assembly has announced that it is considering "revolutionary" legislation:

- --Establishment of the Armed Forces Movement as a permanent governmental institution.
- --Creation of a role for the Movement in the constituent assembly.
- --Adoption of the long-awaited economic plan.

Any one of these issues could provoke bitter debate and raise tensions to the high pitch that was reached during the recent labor law dispute.

A potentially dangerous effort to alter the power structure may be taking place outside the principal ruling bodies. US embassy sources report that a draft proposal for amending the constitution has been submitted to the 21-member Council of State, which alone is empowered to change the constitution. The proposal would vastly increase the powers of the original seven-man junta made up of senior military officers. The draft reportedly was submitted by the Movement's predominantly leftist Coordinating Committee.

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IRAQ-FRANCE

Iraq may be about to purchase Mirage jet fighters from France. This would end the long-standing Soviet role as the sole supplier of advanced jet fighters to Iraq.

The Mirage sale proposal reportedly was made during French Prime Minister Chirac's visit to Baghdad in early December. Baghdad originally wanted to buy 50 Mirages, but may now be interested in more.

Iraq signed a contract with France in 1968 to buy Mirages, but subsequently canceled the deal under pressure from the USSR. Baghdad certainly knows that Moscow will be irritated about a Mirage agreement, and that such an agreement could jeopardize the recently patched up Soviet-Iraqi military supply relationship. The Iraqis, however, have not been entirely satisfied over the past few months with the timeliness of Soviet deliveries of ammunition and ground-forces equipment.

Iraq, aware that the USSR cut off deliveries of equipment and spare parts to Egypt last April, has been trying over the past year to diversify its sources of arms supply. Since last spring, Iraq has purchased at least \$175 million worth of military equipment from France, including AMX-13 light tanks, Panhard armored cars, and Alouette and Super Frelon helicopters.

NOTES

The monthly rate of Soviet emigration to Israel sank to a two-year low of 1,150 last month, while emigration to the US reached a record high of 120.

About 2,400 emigrated to Israel in January 1974. Given the short time periods involved, however, these figures do not necessarily reflect a Soviet policy shift. The Netherlands embassy, which represents Israeli interests in Moscow, believes that many would-be emigrants are simply postponing a final decision on departure. One reason may be that Moscow's campaign to play up the difficulties of life in Israel is having some effect. The Soviets may also be attempting to discourage prospective emigrants by tightening exit requirements. The emigration issue is the subject of high-level attention in Moscow.

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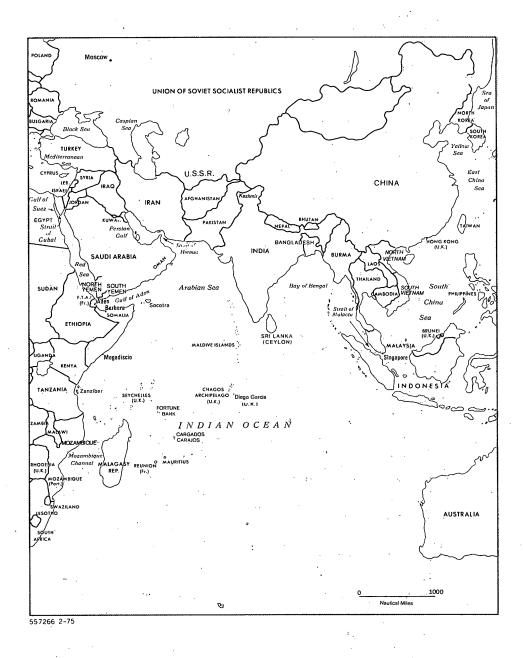
Some oil-exporting countries, in an effort to diversify their investments and blunt criticism by the developing nations, are turning to tripartite investment.

These ventures bring together surplus petrodollars and Western technology in third countries. For the near future, tripartite investment is likely to be concentrated in a handful of developing countries—mainly Arab states—and the amount to be invested will be relatively small. Kuwait, Saudi Arabia, and Iran have shown interest in tripartite ventures, with Kuwait the most active of the three.

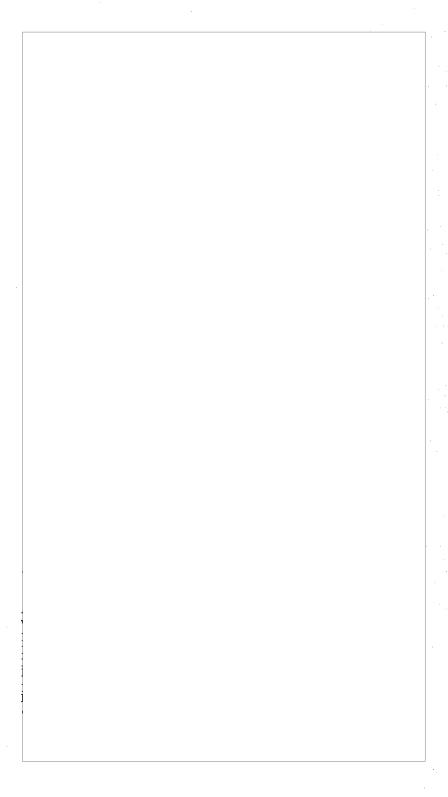
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